

HMO VS. CORE MEDICAL PLANS COMPARISON

During John Browne's recent 2003 Open Enrollment Presentation, questions were raised about the differences between the new HMO plan vs. the continued Core plan. This memo is to compare and contrast those two plans so that you can make a more educated decision during this November's Open Enrollment period. Note ~ premiums used are for employees with an annual full time salary rate of greater than \$40,000.

	BluePremier HMO	CORE
Monthly Premium		
➤ Self	\$43.51, \$522.12 annually	\$0.00
➤ Self+Adult	\$91.37, \$1,096.44 annually	\$0.00
➤ Self+Child(ren)	\$78.32, \$939.84 annually	\$0.00
➤ Self+Family	\$126.18, \$1,514.16 annually	\$0.00
Hospital or Diagnostic	Plan pays 90%	Plan pays 80%
Physician Visits	\$20 co-pay	Plan pays 80%
Prescriptions Drugs		
➤ Generic	\$15 co-pay	Plan pays 80%
➤ Brand Name	\$30 co-pay	Plan pays 80%
➤ Non-formulary	\$45 co-pay	Plan pays 80%
Deductible		
➤ Per-person	\$150	\$3,000
➤ Family Maximum	\$450	No family maximum
Out-of-Pocket Maximum		
➤ Per-person	\$2,000	\$7,600
➤ Family Maximum	\$6,000	No family maximum

While the premiums for CORE are substantially less expensive, the plan requires a much larger out-of-pocket expenditure. It is important to note that with CORE coverage, no expenses are covered until the client has met the \$3000 out-of-pocket deductible. After the deductible, the plan will pay 80% until the per-person maximum of \$7600 is met. For some, CORE is a better choice; for example, a healthy, two-party family that rarely needs medical coverage and has access to \$16,000 in liquid assets might find CORE to be an acceptable, low cost alternative.